

Attachment 1.

JAMES A. LEACH, IOWA, CHAIRMAN

BILL MCCOLLUM, FLORIDA  
MARGE ROUKEMA, NEW JERSEY  
DOUG BEREUTER, NEBRASKA  
RICHARD H. BAKER, LOUISIANA  
RICK LAZIO, NEW YORK  
SPENCER BACHUS, III, ALABAMA  
MICHAEL CASTLE, DELAWARE  
PETER KING, NEW YORK  
TOM CAMPBELL, CALIFORNIA  
EDWARD ROYCE, CALIFORNIA  
FRANK D. LUCAS, OKLAHOMA  
JACK METCALF, WASHINGTON  
ROBERT NEY, OHIO  
ROBERT L. EHRLICH, JR., MARYLAND  
BOB BARR, GEORGIA  
JON FOX, PENNSYLVANIA  
FRANK LOBIONDO, NEW JERSEY  
J.C. WATTS, OKLAHOMA  
SUE W. KELLY, NEW YORK  
RON PAUL, TEXAS  
DAVE WELDON, FLORIDA  
JIM RYUN, KANSAS  
MERRILL COOK, UTAH  
VINCE SNOWBARGER, KANSAS  
BOB RILEY, ALABAMA  
RICK HILL, MONTANA  
PETE SESSIONS, TEXAS  
STEVEN LATOURETTE, OHIO

U.S. HOUSE OF REPRESENTATIVES

COMMITTEE ON BANKING AND FINANCIAL SERVICES

ONE HUNDRED FIFTH CONGRESS

2129 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6050

HENRY B. GONZALEZ, TEXAS  
JOHN J. LAFALCE, NEW YORK  
BRUCE F. VENTO, MINNESOTA  
CHARLES E. SCHUMER, NEW YORK  
BARNEY FRANK, MASSACHUSETTS  
PAUL E. KANJORSKI, PENNSYLVANIA  
JOSEPH P. KENNEDY II, MASSACHUSETTS  
FLOYD H. FLAKE, NEW YORK  
MAXINE WATERS, CALIFORNIA  
CAROLYN B. MALONEY, NEW YORK  
LUIS V. GUTIERREZ, ILLINOIS  
LUCILLE ROYBAL-ALLARD, CALIFORNIA  
THOMAS M. BARRETT, WISCONSIN  
NYDIA M. VELAZQUEZ, NEW YORK  
MELVIN WATT, NORTH CAROLINA  
MAURICE HINCHEY, NEW YORK  
GARY ACKERMAN, NEW YORK  
KEN BENTSEN, TEXAS  
JESSE JACKSON, JR., ILLINOIS  
CYNTHIA MCKINNEY, GEORGIA  
CAROLYN CHEEKS KILPATRICK, MICHIGAN  
JIM MALONEY, CONNECTICUT  
DARLENE HOOLEY, OREGON  
JULIA CARSON, INDIANA

BERNARD SANDERS, VERMONT

(202) 225-7502

April 30, 1997

The Honorable Andrew Cuomo  
Secretary  
Department of Housing and Urban Development  
451 Seventh Street S.W.  
Washington, D.C. 20410

Dear Secretary Cuomo:

As HUD continues to downsize and rationalize its mission under today's budget realities, the Department must do more than merely reduce programs across the board. Rather, HUD must eliminate programs that are inefficient and preserve and enhance those that work or can be made to work. One program that should be preserved and enhanced is the manufactured housing regulatory program -- a program that is self-financing. We understand, however, that this program has been jeopardized by an ineffective allocation of resources within the agency. The program is currently organized under the Assistant Secretary for Housing--FHA Commissioner, under the Office of Single-Family Housing. As you know, this regulatory program supports the construction of nearly one in three new single-family homes sold each year in the U.S. Last year, approximately 370,000 manufactured homes were produced under this regulatory system.

This concern merits your personal attention, particularly since one of HUD's chief priorities is expanding affordable home ownership opportunities for Americans. At an average price in 1996 of \$37,300, without land, manufactured homes are a popular choice for a wide and growing cross section of Americans, including first-time home buyers, single parents, young families, and senior citizens. The manufactured housing program helps the industry serve a core mission of your Agency, and on top of it, is paid for by user fees. This is the kind of program that must be enhanced, not allowed to wither for lack of leadership. Further, HUD needs to undertake an active role in advocating the dismantling of barriers to greater availability of manufactured housing.

Unless there is a change in program direction, the uniformity and consistency of code revision, interpretation, and enforcement of federal preemptive construction standards could be adversely affected. Already, we understand that relatively non-controversial problems or

interpretations take months, and sometimes years, to resolve. In this regard, we urge you to utilize your current authority and effectively work with CABO as the "Private Organization to Develop Model Manufactured Housing Standards". Since CABO was designated by HUD for this purpose in 1988 (Federal Register February 16, 1988) and since CABO has not requested any funds for this purpose, we believe the Department can move on this matter immediately.

Our understanding is that there are only 10 professional and 3 clerical staff in the Manufactured Housing and Standards Division, compared to a staffing level of approximately 35 in 1984 when production levels were twenty-five percent less than they are today. While we do not necessarily support a return to the highest staffing levels for this Division, HUD's lack of oversight and management of the program already may have led to an overall weakening of federal oversight over the manufactured housing program, and to a heightened reliance on outside entities. Even though this federal program is largely self-funded and there are more than sufficient funds available from industry label fees, program staffing levels and travel authorizations are subject to overall HUD budget caps. Your involvement to reverse this staff diminution and to restore HUD's proper role of oversight and leadership in the program is necessary to ensure its continued integrity.

We have reviewed several recommendations that could greatly improve the manufactured housing program, which we hope you will consider:

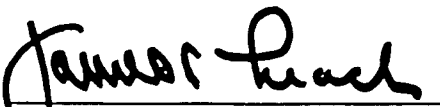

First, please consider establishing a non-career administrator whose only responsibility would be authority over the manufactured housing program. This individual would report directly to the Assistant Secretary for Housing and, in addition to the responsibility of regulating health and safety, would have a mandate to reduce barriers to increase production and placement of manufactured housing.

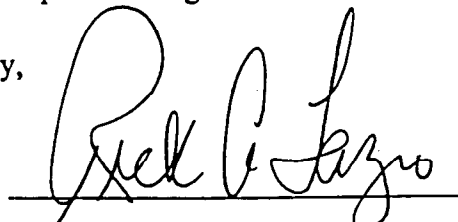

Second, because the program is one of the few HUD missions the private sector pays for, you should establish a budget for the administration of the manufactured housing program which would set appropriate personnel FTE's and proper budget caps for travel and budget for personnel. Please consider whether these caps could be separate from departmental and OMB caps, particularly for those activities which are funded through industry label fees, provided that adequate funds for the program are available through industry fees.

Finally, we are prepared to work with you to make this program a model for having the private sector use industry funds to address federal needs. HUD can then become a strong advocate for removing barriers to greater availability of manufactured housing as a means of increasing home ownership without the need for federal subsidies.

We look forward to working with you to accomplish these goals.

Sincerely,

Bruce E. Neale

Jack Rich

Leonard L. Greenwell

Joe Kerkus

Jim Hall

Frank Rys

Sue Kelly

Tim Rouse

Jack Metcalf

Marge Roskema

Dan Webb

E. A. Starn

Virgil Goode Jr.

Bill McCollum

Jim Walsh

George De

Ode E. Cilder

Mike McIntire

Bob Etheridge

Vinny Snowberger

Doug Bunker

Ed Boyce

Rich Ziel

Bob R. King

Phil English

Ernie Sessing

Bob May

Elaine Cottle

Walter Jones

Ken Calvert

J. C. Watts Jr.

Mike Fisher

Phil Ryan

Scotty Baalen

Jerry Hargrave

Jim Ryan

Shirley Baalen

John Salucci

Lee Hutchinson

Chas. T. Connolly

Wes Watkins

Darlene Hodley

Elizabeth Inuse

Sammy Boos

Ed Olinthorpe

Robert Anderson

Gl. Powell

Margie Denberg

Gary Z. Cushman

Charles E. Schene

Daniel Price

John E. Peterson

Ken Bryant

Gary Well

John Wamp

Frank D. Lucas

Estelita Jones

Sam Minge

Randy 'Bibi' Cunningham

Martin O. Pabo

Calvin Dorky

Tom Fathman

Pete Kaur

Frank A. LoBiondo

William A. Jenkins

Howard Coble

Josep Pitts

**Manufactured Housing Letter  
to Secretary Andrew Cuomo**

Robert Aderholt (R-AL)  
Gary Ackerman (D-NY)  
Scott Baesler (D-KY)  
John Baldacci (D-ME)  
Doug Bereuter (R-NE)  
Sherwood Boelhart (R-NY)  
Sonny Bono (R-CA)  
Leonard Boswell (D-IA)  
Ed Bryant (R-TN)  
Ken Calvert (R-CA)  
Charles Canady (R-FI)  
Michael Castle (R-DE)  
Howard Coble (R-NC)  
Randy Cunningham (R-CA)  
Jay Dickey (R-AR)  
Calvin Dooley (D-CA)  
Phil English (R-PA)  
Bob Etheridge (D-NC)  
Mark Foley (R-FL)  
Michael Forbes (R-NY)  
Rodney Frelinghysen (R-NJ)  
Elizabeth Furse (D-OR)  
Virgil Goode, Jr. (D-VA)  
Rick Hill (R-MT)  
Maurice Hinchey (D-NY)  
Darlene Hooley (D-OR)  
Asa Hutchinson (R-AR)  
William Jenkins (R-TN)  
Walter Jones, Jr. (R-NC)  
Sue Kelly (R-NY)  
Dale Kildee (D-MI)  
Peter King (R-NY)  
Jerry Kleczka (D-WI)  
Joe Knollenberg (R-MI)  
Jim Kolbe (R-AZ)  
Tom Latham (R-IA)  
Rick Lazio (R-NY)  
Jim Leach (R-IA)  
Frank LoBiondo (R-NJ)  
Frank Lucas (R-OK)

Bill McCollum (R-FL)  
Scott McInnis (R-CO)  
David McIntosh (R-IN)  
Mike McIntyre (D-NC)  
Jack Metcalf (R-WA)  
David Minge (D-MN)  
Bob Ney (R-OH)  
John Peterson (R-PA)  
Joe Pitts (R-PA)  
Glenn Poshard (D-IL)  
David Price (D-NC)  
Deborah Pryce (R-OH)  
Frank Riggs (R-CA)  
Bob Riley (R-AL)  
Tim Roemer (D-IN)  
Marge Roukema (R-NJ)  
Edward Royce (R-CA)  
Jim Ryun (R-KS)  
Martin Sabo (D-MN)  
Charles Schumer (D-NY)  
Pete Sessions (R-TX)  
Vince Snowbarger (R-KS)  
Gerald Solomon (R-NY)  
Esteban Torres (D-CA)  
Edolphus Towns (D-NY)  
Bruce Vento (D-MN)  
Jim Walsh (R-NY)  
Zach Wamp (R-TN)  
Wes Watkins (R-OK)  
JC Watts, Jr. (R-OK)  
Dave Weldon (R-FL)  
Jerry Weller (R-IL)

**United States Senate**  
WASHINGTON, DC 20510

July 30, 1997

The Honorable Andrew Cuomo  
Secretary  
Department of Housing and Urban Development  
451 Seventh Street, S.W.  
Washington, D.C. 20410

Dear Mr. Secretary:

We applaud your efforts to downsize the Department through staff and program reductions. However, we believe that the housing programs that are being preserved should be administered effectively.

One important program that can be made to work better is the manufactured housing construction and safety standards program. This regulatory program, which is self-financing, supports the construction of nearly one in three new single-family homes sold each year in the United States. Last year, approximately 370,000 manufactured homes were produced under this program. At an average price in 1996 of \$37,300, without land, manufactured homes are a popular choice for a wide and growing cross section of moderate income Americans. Manufactured housing serves a core mission of your agency and is almost entirely financed through user fees.

Although this program is self-financing, we understand that it has been jeopardized by an ineffective allocation of resources within the agency. We believe that any inadequacies within this program deserve attention, since the program contributes to HUD's priority of expanding home ownership opportunities. Unless there is a change in program direction, the uniformity and consistency of code revision, interpretation, and enforcement of federal preemptive construction standards will continue to be adversely affected. Currently, we understand that relatively non-controversial problems or interpretations take months, and sometimes years, to resolve. In this regard, we urge you to utilize your current authority and effectively work with the Council of American Building Code Officials (CABO) as the "Private Organization to Develop Model Manufactured Housing Standards." Since CABO was designated by HUD for this purpose in 1988 (Federal Register February 16, 1988) and since CABO has not requested any funds for this purpose, we believe the Department can move on this matter immediately.

With the above-mentioned matters in mind, we request that you re-examine the current staffing levels of the manufactured housing program. We do not support a return to the highest staffing levels for the Manufactured Housing and Standards Division. However, there must be restoration of HUD's proper oversight and leadership in the program to ensure its continued integrity and reduced reliance on outside entities. Please consider establishing a non-career administrator whose responsibility would be authority over the manufactured housing program and who would report directly to the Assistant Secretary for Housing. Please also consider establishing a budget for the administration of the manufactured housing program which would set appropriate personnel FTE's and proper budget caps for travel and budget for personnel. Please consider whether these caps could be separate from departmental and OMB caps, particularly for those activities which are funded through industry label fees, provided that adequate funds for the program are available through industry fees.

We are prepared to work with you to make this program a model for efficient regulation of the private sector in support of federal housing goals.

Sincerely,

Luc Hainloot

Tom Hall

Tom Rahyde

Garry Keil

Robert F. Bennett

Jim Johnson

Patrick Leahy

Barbara Stansbury

Richard H. Byrd

Samuel Mack

John W. Warner

Mark Warner

Brian R. Roth

Samuel R. Brown

Richard Shelby

Chris Smith

Virginia M. Murray

Susan Collins

Ken Cook  
Gary Reed  
Frank R. Laubenberg

Dick Davis  
Jeane Helms

Chuck Robb

~~Sam~~ Samson

Shirley Ford  
Constance Pifer

Ken Wyman  
Dick Kempert

T. Hutchinson

Jim Kaschke

## LIST OF COSIGNERS

Lauch Faircloth  
Tom Harkin  
Jay Rockefeller  
Harry Reid  
Robert F. Bennett  
Tim Johnson  
Patrick Leahy  
Ben Nighthorse Campbell  
Richard Bryan  
Dan Coats  
Jack Reed  
Frank R. Lautenberg  
Dick Durbin  
Jesse Helms  
Chuck Robb  
Sam Brownback

Connie Mack  
Pete Domenici  
Dick Lugar  
Bill Roth  
Conrad Burns  
Richard Shelby  
Chris Dodd  
Olympia Snowe  
Susan Collins  
Wendell Ford  
Barbara Boxer  
Ron Wyden  
Dirk Kempthorne  
Tim Hutchinson  
Tom Daschle



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
THE SECRETARY  
WASHINGTON, D.C. 20410-0001

JUN 17 1997

Honorable Ken Calvert  
U.S. House of Representatives  
Washington, DC 20515-0543

Dear Representative Calvert:

Thank you for your letter of April 30, 1997, expressing your concern about the impact on the Federal Manufactured Housing Program of reduced program staffing levels and travel limitations. In particular, you have requested that I give special consideration to preserving the effectiveness of that program during continuing staffing cutbacks. I appreciate hearing from you about your concerns.

While downsizing of the Department is inevitable, I expect our management plans will enhance, not undermine, our effectiveness in providing affordable housing opportunities. HUD is seeking ways to be more productive with fewer staff by establishing more working partnerships with outside organizations. One aspect of this effort is the continued use of contractors, where appropriate, to sustain the level of services that the manufactured housing industry and consumers have a right to expect.

Another way to expand capacity is public-private partnerships. The Department will soon publish a notice in the *Federal Register* inviting the Council of American Building Officials and any other interested parties to submit proposals for updating the Federal standards to which all manufactured homes must be built. We must ensure, however, that any process used to develop standards for adoption as Federal law includes adequate representation of consumers.

This partnership will only begin to address your particular concern about the Department's ability to maintain and update the standards--a concern that I share. Unfortunately, the entire program is not supported by fees from the manufacturers, as your letter suggests. The statute effectively limits HUD's ability to use these fees to enforce--not develop--the standards.

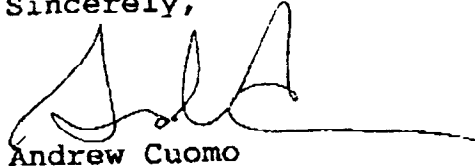
As for the enforcement program, although the fees generated are available for this purpose, their spending is nonetheless subject to overall Departmental Salary and Expense limitations established by Congress in appropriations each year. Only Congress has authority to exclude manufactured housing program-funded personnel and travel expenses from HUD's budget and Full Time Employee ceilings.

In a February 1996 reorganization, the Manufactured Housing and Standards Division became part of the new Office of Consumer and Regulatory Affairs, where it functions under the purview of two political appointees--the Deputy Assistant Secretary for Single Family Housing and the Assistant Secretary for Housing. Under this reorganization, HUD is taking a more proactive role in promoting the expanded use of manufactured housing as an affordable option, while continuing its traditional enforcement activities.

A recent example of this more proactive stance is the May 5, 1997, publication in the *Federal Register* of a notice setting forth the Department's position on zoning issues that have traditionally been barriers to the placement of manufactured housing in certain areas.

I appreciate the interest of so many Members in HUD's Manufactured Housing Program. I assure you that it will continue to receive my personal attention.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Andrew Cuomo', with a long horizontal flourish extending to the right.

Andrew Cuomo